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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/360,422	07/23/1999	JAY S. WALKER	WD2-99-004	4171

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EXAMINER
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ZURITA, JAMES H

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 11/17/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/360,422

Applicant(s)

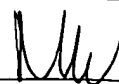
WALKER ET AL.

Examiner

James H Zurita

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 09 September 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-72 and 74-126 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-72, 74-126 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Response to Amendment***

By amendments of 1 April 2004 and 23 August 2004, applicant amended claims 1, 47, 74 and 108 and added claims 119-126.

Claims 1-72 and 74-118 are pending and will be examined.

### ***Claim Objections***

Claims 2, 9, 11, 13, 15, 17, 19, 22, 28, 30, 35, 48 are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim, or amend the claims to place them in proper dependent form, or rewrite the claims in independent form and pay the appropriate fees.

Applicant's arguments concerning these claims have been fully and carefully considered but are not persuasive for at least the following reasons.

The amendment is not in proper form. Applicant is encouraged to review guidelines provided in MPEP 608.01(m) and 37 CFR 1.121 concerning amendments to the claims filed on or after 30 July 2003.

The above claims are written in dependent format in that they reference a prior method claim. However, the claims do not further limit the steps involved in the parent method claim. For example, claim 1 is a method claim that includes the steps of (a) detecting (b) determining a package, (c) determining a package price, (d) presenting a package offer. Claim 2 is a dependent claim that does not add, delete or alter any of

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the steps of the parent claim and thus "fails to further limit the subject matter of a previous claim."

These claims are also improper because they fail the "infringement test" (see MPEP 608.01(n), Section III). Applying the Infringement test, what is needed to infringe claim 2, for example, is a CD-ROM having computer executable code that if and when executed would cause a computer to do the steps recited in claim 1. However, such a CD-ROM would not infringe the method steps of claim 1 since the CD-ROM itself never performs any of the active steps required by the method of claim 1. In other words, mere possession of such a CD-ROM would infringe claim 2 but would not infringe claim 1. As such claim 2 and other claims are improper dependent claims.

### ***Response to Arguments***

Applicant purports to traverse what the Examiner presents as knowledge that was generally available to one of ordinary skill in the art at the time the invention was made. For example, argues that:

(1) it was not known to allow customer to pick up items purchased via a web site by visiting retail establishments at the time of Applicants' invention...

...allowing an item purchased online to be picked up at a retail establishment was **unknown** at the time of Applicants' invention, a person of ordinary skill in the art would not have been able to combine such knowledge with Blinn, **since such knowledge did not exist.** [emphasis added]

...At the time of Applicants invention electronic commerce was conducted as a separate process from shopping by visiting a retail establishment. Those retailers that operated both a retail establishment and an online web site did not integrate the two modes of sales in any manner and specifically did not allow the pick up of items purchased online at the retail establishments. The online system and the retail establishment system of a retailer at the time were not at all integrated and each system was inoperable to recognize a purchase made via the other system...

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The Examiner respectfully disagrees with applicant's assertions concerning what was well known to one of ordinary skill in the art at the time of applicant's invention. In support of his assertions, the Examiner directs applicant's attention to an article by Carol Tice, Web Ordering May alter Role of Distributors, 22 June 1998, National Home Center News, downloaded from the Internet on 1 July 2003.

Tice discusses that electronic commerce was not solely conducted as a separate process from shopping at a retail establishment and very clearly shows that it was well known to integrate online systems and retail establishment systems. See, for example, at least the section entitled *Improving the Supply Chain*, page 2, which states, in part,

Merrifield envisions a world of electronic selling in which customers would still go to a retail store. There, in addition to the on-and selection of products, they would find an Internet-wired kiosk through which they could view, and special-order, a wide variety of merchandise from that retailer's supplier.

The order would be transmitted immediately to the distributor, which could quick-**ship it either to the store or the customer's home**. [emphasis added].

The Examiner has marked this and other portions of Tice for applicant's convenience. Nevertheless, Applicant is encouraged to fully read and carefully consider the *entire* reference for **other** aspects of his invention that were old and well known to one of ordinary skill in the art at the time of applicant's invention. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

In response to applicant's argument that there is no suggestion to combine Blinn with knowledge of one of ordinary skill in the art at the time of applicant's invention, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves **or in the knowledge generally available to one of ordinary skill in the art**. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). Notwithstanding applicant's assertions to contrary, such knowledge existed, as shown above.

Applicant appears to argue against the Examiner's list of benefits that would arise from combining Blinn with knowledge of one of ordinary skill in the art at the time of applicant's invention:

Applicants respectfully submit that the various benefits discussed by Examiner in supporting the modification of the prior art to include the picking up of items purchased online at a retail establishment are not a proper motivation to combine that may form a prima facie case of obviousness. Rather, the mere listing of benefits that may be realized recognizes some of the advantages of Applicants' claimed invention but is not a finding of a teaching in the prior art that would have motivated one of ordinary skill in the art to make the suggested modification. A proper motivation to combine must be objectively found in the prior art itself, and not be derived from reading Applicants' disclosure....

In response to these arguments, the fact that applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

Applicant attempts to argue that Blinn ships/delivers items only to a customer:

Applicants further note that *Blinn* expressly describes in various passages that any items purchased via the *Blinn* system are shipped or delivered **to the customer**, and does not at all hint or suggest that the items may be picked up by the customer at any location,

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much less a retail establishment. See, for example, column 6, lines 47 - 52; column 8, lines 5 - 7; and Fig. 15A. (emphasis added)

However, Blinn makes it clear that items are shipped and delivered according to a customer's delivery instructions:

The merchant system 120 includes a dynamic page generator 125, HTML structures 126, a database module 127, an action manager 128, and an order processing module 129 having an order engine 130, an order pipeline 131, and components 132 for various purposes, such as calculating sales tax and shipping/handling fees. (col. 6, line 47-52)

Similarly, an orderfrm.html page provides an order form display for shoppers to **select shipping methods** and to **provide delivery instructions for the order**. (col. 8, line 5-7, emphasis added).

A "traverse" is a denial of an opposing party's allegations of fact.<sup>1</sup> The Examiner respectfully submits that applicants' arguments and comments do not appear to constitute an adequate traverse what Examiner regards as knowledge that would have been generally available to one of ordinary skill in the art at the time the invention was made. An adequate traverse must contain adequate information or argument to create on its face **a reasonable doubt** regarding the circumstances justifying Examiner's notice of what is well known to one of ordinary skill in the art. In re Boon, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA1971).

If applicant does not seasonably traverse well known statements during examination, then the object of the well known statement is taken to be admitted prior art. In re Chevenard, 139 F.2d 71, 60 USPQ 239 (CCPA 1943). MPEP 2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art. In view of applicant's failure to adequately traverse official notice, at least the following are admitted prior art:

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<sup>1</sup> Definition of Traverse, Black's Law Dictionary, "In common law pleading, a traverse signifies a denial."

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- ...shopping is a delightful, pleasurable activity and merchants may wish to promote sales at local stores by inviting customers to visit.
- It is well known that retail stores, such as Macy's, design their retail stores so that customers are guided from one product area to another; customers may purchase last minute items or items that were not available on-line. A customer may visit a merchant to pick up cosmetics ordered on-line and may also purchase a dress. Merchants, for their part, may save their portions of shipping costs associated with a sale.
- A customer may also wish to combine a visit to a local shopping center with other social occasions such as dinner with a friend. At a local restaurant, the customer might redeem an incentive offered by the restaurant as part of a package.
- ... Kiosks are often found at related retailer stores. While in a merchant's store at a local shopping center, a customer may use a kiosk to access the system and purchase additional items. A customer may do this possibly to take advantage of discounts that are available on-line and in combination with another merchant's products. Using a mall or a store's kiosk, a customer may order items, pay for them and obtain a printed copy of a coded receipt. The customer may present the coded receipt to one or more merchants who may verify payment of the package order, and deliver the items.
- ...bar codes and Point of Sales terminals are well known to one of ordinary skill in the art, ...printed receipts and coupons often contain bar-coded information. Such information may include store or item specific information such as store id, item id, receipt or transaction information.
- ...it would have been obvious to one of ordinary skill in the art of electronic commerce at the time the invention was made to include Point of Sales terminals and bar codes to present information on a printed receipt.
- ... bar codes make it possible to read information directly into a computer and to transact business in a more efficient manner, including at least avoidance of human error and illegible handwriting.

### ***Claim Rejections - 35 USC § 103***

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

**Claims 1-72 and 74-118** are rejected under 35 U.S.C. 103(a) as being unpatentable over Blinn et al. (US Patent 5,897,622) in view of Peirce (US.6,332,126).



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Blinn detects a customer's interest based on a customer's request for information concerning a primary item. Blinn discloses primary and secondary products with associated product identifiers (for example, see references to SKU's).

Blinn retrieves details about a primary item from a database and displays them to a customer. The system creates a package by presenting details concerning one or more secondary items that may be related to the primary item. The primary item's details may include the item's unique identifier, retail price, description, discounted amount, percent discount, etc. See, for example, Fig. 7, 9 and related text.

The details for the additional, secondary items may include those items' unique identifiers, merchant, their retail prices, applicable discounts, description, etc.

Blinn discloses that the combined package price is less than the sum of corresponding retail prices for the primary product and the at least one secondary product. See, for example, Fig. 11 and related text.

Blinn discloses that a primary item in the database may be related to one or more secondary items in at least the following well-known ways. See, for example,

To promote their products, merchants often discount their products or have sales. Merchants can use a wide variety of discounting schemes to promote their products. For example, a merchant may offer volume discounts, such as buy two and get one free, or membership discounts where, for example frequent shoppers and AAA members get 10% off, or cross-sell incentives offering, for example, 50% off socks with a shoe purchase. Existing online merchant systems, such as Netscape Merchant System, support only date-based sale pricing, such as 20% off all shirts during the month of May. To enter the online shopping market, merchants desire an online merchant system that allows for a significantly wider variety of product discounting and sales schemes. Col. 1, lines 43-56).

Blinn discloses order fulfillment and delivery. Blinn *does not* disclose having customers pick up each item of a package by visiting the appropriate merchant. Picking up purchased item(s) at local retailers is old and well known.

Therefore, it would have been obvious to one of ordinary skill in the art of electronic commerce to permit customers to pick up one or more items of a package by visiting an item's merchant. One of ordinary skill in the art of electronic commerce would have been motivated to permit customers to pick up one or more items of a package by visiting an item's merchant for the obvious reason that shopping is a delightful, pleasurable activity and merchants may wish to promote sales at local stores by inviting customers to visit. It is well known that retail stores, such as Macy's, design their retail stores so that customers are guided from one product area to another; customers may purchase last minute items or items that were not available on-line. A customer may visit a merchant to pick up cosmetics ordered on-line and may also purchase a dress. Merchants, for their part, may save their portions of shipping costs associated with a sale. A customer may also wish to combine a visit to a local shopping center with other social occasions such as dinner with a friend. At a local restaurant, the customer might redeem an incentive offered by the restaurant as part of a package.

Blinn discloses that customer may be at interactive kiosks (for example, Col. 6, lines 9-24). Kiosks are often found at related retailer stores. While in a merchant's store at a local shopping center, a customer may use a kiosk to access the system and purchase additional items. A customer may do this possibly to take advantage of discounts that are available on-line and in combination with another merchant's products. Using a mall or a store's kiosk, a customer may order items, pay for them and obtain a printed copy of a coded receipt. The customer may present coded receipts to merchants who may verify payment of the package order, and deliver the items.

Blinn *does not* use the term bar code or Point of Sale terminal. While Blinn discloses the use of printed copy and online checkout receipts, Blinn *does not* specifically state that a printed receipt may include information in bar code formats. Examiner takes official notice that bar codes and Point of Sales terminals are well known to one of ordinary skill in the art, and that printed receipts and coupons often contain bar-coded information. Such information may include store or item specific information such as store id, item id, receipt or transaction information.

Therefore, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time the invention was made to include Point of Sales terminals and bar codes to present information on a printed receipt.

One of ordinary skill in the art of electronic commerce at the time the invention was made would have been motivated to include Point of Sales and bar codes to present information on a printed receipt for the obvious reason that bar codes make it possible to read information directly into a computer and to transact business in a more efficient manner, including at least avoidance of human error and illegible handwriting.

Blinn discloses detecting that a primary product is of interest to a customer when Blinn recognizes the customer's selection of the primary product. As applicant admits, Blinn offers a secondary product along with the selected primary product. Blinn discloses the use of electronic shopping carts. See, for example, at least Col. 8, lines 1-16. Blinn discloses merchandising, "Electronic shopping and merchandising system." Merchandising is sales promotion as a comprehensive function including market

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research, development of new products, coordination of manufacture and marketing and effective advertising and selling.<sup>2</sup>

Blinn does not provide specific examples of selecting secondary products based on an indication of interest by a customer in the secondary product. Peirce discloses ways of identifying customers that have demonstrated interest by purchasing similar or related products in the past. See, for example, at least Col. 1, lines 39-50.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Blinn and Peirce to disclose that at least one of the secondary products is selected for including in a package based on indications by a customer in the at least one secondary product.

One of ordinary skill in the art at the time the invention was made would have been motivated to combine Blinn and Peirce to disclose that at least one of the secondary products is selected for including in a package based on indications by a customer in the at least one secondary product for the obvious reason that a proven method of effective and efficient marketing is to identify customers that are more likely to be interested in a merchant's products by identifying customers and products based on similar or related purchases in the past.

**Claims 119-126** are rejected under 35 U.S.C. 103(a) as being unpatentable over Blinn et al. (US Patent 5,897,622) in view of Bernard (US 5918213).

Blinn detects a customer's interest based on a customer's request for information concerning a primary item when a customer selects that item.

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<sup>2</sup> Definition of *merchandising*, MERRIAM WEBSTER'S Collegiate Dictionary.

Blinn discloses primary and secondary items with associated product identifiers (see references to SKU's). Blinn retrieves details about a primary item from a database and displays them to a customer. The system creates a package by presenting details concerning one or more secondary items that may be related to the primary item. The primary item's details may include the item's unique identifier, retail price, description, discounted amount, percent discount, etc. See, for example, Fig. 7, 9 and related text.

Blinn discloses detecting that a primary product is of interest to a customer when Blinn recognizes the customer's selection of the primary product. As applicant admits, Blinn offers a secondary product along with the selected primary product. Blinn discloses the use of electronic shopping carts. See, for example, at least Col. 8, lines 1-16. Blinn discloses merchandising, "Electronic shopping and merchandising system." Merchandising is sales promotion as a comprehensive function including market research, development of new products, coordination of manufacture and marketing and effective advertising and selling.<sup>3</sup>

Blinn does not provide specific examples of selecting secondary products based on an indication of interest by a customer in the secondary product. Bernard discloses detecting a loss of interest in a primary product by a customer, by tracking events such as when a customer removes items from a shopping card. See, for example, Col. 33, lines 4-63. Bernard discloses permitting a customer to review items and offers coupons and promotions to customers for all items. See at least Col. 5, line 26-Co. 6, line 49.

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<sup>3</sup> Definition of *merchandising*, MERRIAM WEBSTER'S Collegiate Dictionary.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Blinn and Bernard to disclose that, in response to detecting a loss of interest in an item, one may offer a customer a package comprising the "discarded" primary item and an additional item for a price that is less than the sum of the corresponding retail prices of the primary and additional items.

One of ordinary skill in the art at the time the invention was made would have been motivated to combine Blinn and Bernard to disclose that, in response to detecting a loss of interest in an item, one may offer a customer a package comprising the "discarded" primary item and an additional item for a price that is less than the sum of the corresponding retail prices of the primary and additional items for the obvious reason that merchants often wish to provide maximum flexibility to a customer by permitting a customer to review the items in a shopping basket and may offer packages or discounts on removed items to prevent customers from walking out and possibly buying the same primary item at a competitor.

### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within

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TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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**James Zurita**  
**Patent Examiner**  
**Art Unit 3625**  
11 November 2004

  
**WYNN W. COGGINS**  
**SUPERVISORY PATENT**  
**TECHNOLOGY CENTER**